

APPLICATION FOR PERMIT
TO APPROPRIATE THE PUBLIC WATERS OF THE STATE OF NEVADA

Date of filing in State Engineer's Office SEP 19 1986

Returned to applicant for correction OCT 27 1986

Correction application filed _____

Map filed DEC 29 1986

The applicant N. A. DEGERSTROM, INC.

N. 3303 Sullivan Road, of Spokane,
Street and No. or P.O. Box No. City or Town

Washington, 99216, hereby make s. application for permission to appropriate the public
State and Zip Code No.

waters of the State of Nevada, as hereinafter stated. (If applicant is a corporation, give date and place of incorporation; if a copartnership or association, give names of members.) a Spokane, Washington corporation,
incorporated July 7, 1959

1. The source of the proposed appropriation is groundwater
Name of stream, lake, spring, underground or other source

2. The amount of water applied for is 0.25 (cu. ft./second) second-feet
One second-foot equals 448.83 gals. per min.

(a) If stored in reservoir give number of acre-feet _____

3. The water to be used for mining and milling and domestic
Irrigation, power, mining, manufacturing, domestic, or other use. Must limit to one use.

4. If use is for:

(a) Irrigation, state number of acres to be irrigated: _____

(b) Stockwater, state number and kinds of animals to be watered: _____

(c) Other use (describe fully under "No. 12. Remarks" open-pit mining, grinding, agglomeration,
heap leach processing of gold/silver ore.

(d) Power:

(1) Horsepower developed _____

(2) Point of return of water to stream _____

5. The water is to be diverted from its source at the following point: NW¼ NE¼ Sec. 7; T7N; R37E
Describe as being within a 40-acre subdivision of public

(unsurveyed) and being located N 74° 18' 12" W 3863.41' to the NW Section corner
survey, and by course and distance to a section corner. If on unsurveyed land, it should be so stated.
of aforesaid Section 7.

6. Place of use All of Sections 1, 2, 11, 12, 13, 14 T7N., R36E; All of Sections 6, 7,
Describe by legal subdivision. If on unsurveyed land, it should be so stated.

18, T7N., R37E MDB&M (unsurveyed)

7. Use will be begin about January 1 and end about December 31, of each year.
Month and Day Month and Day

8. Description of proposed works. (Under the provisions of NRS 535.010 you may be required to submit plans and specifications of your diversion or storage works.) Water will be pumped directly from the well
State manner in which water is to be diverted, i.e. diversion structure, ditches and
head to the mine site or will be pumped to reservoir & stored for future use at
flumes, drilled well with pump and motor, etc. mine site.

9. Estimated cost of works \$15,000, excluding pipeline.

10. Estimated time required to construct works 1½ years. The well will be 8-inch diameter, gravel-
If well completed, describe works.
packed with 50 feet of cemented surface casing, and a submersible pump.

11. Estimated time required to complete the application of water to beneficial use 3 years

12. Remarks: For use other than irrigation or stock watering, state number and type of units to be served or annual consumptive use.

Up to 12.0×10^6 gal./year will be used for a gold mining and heap leach operation
and associated uses, such as dust suppression on haul roads. The principal use of
the water will be makeup water for the heap leach facility.

s/ Neal A. Degerstrom
 By N. 3303 Sullivan Road
Spokane, WA 99216

Compared pm/se pm/se

Protested _____

APPROVAL OF STATE ENGINEER

This is to certify that I have examined the foregoing application, and do hereby grant the same, subject to the following limitations and conditions:

This permit is issued subject to existing rights. It is understood that the amount of water herein granted is only a temporary allowance and that the final water right obtained under this permit will be dependent upon the amount of water actually placed to beneficial use. It is also understood that this right must allow for a reasonable lowering of the static water level. This well shall be equipped with a two (2) inch opening for measuring depth to water. If the well is flowing, a valve must be installed and maintained to prevent waste. A totalizing meter must be installed and maintained in the discharge pipeline near the point of diversion and accurate measurements must be kept of water placed to beneficial use. The totalizing meter must be installed before any use of water begins or before the Proof of Completion of Work is filed.

This Permit does not extend the permittee the right of ingress and egress on public, private or corporate lands.

The manner of use of water under this permit is by nature of its activity a temporary use and any application to change the manner of use granted under this permit will be subject to additional determination and evaluation with respect to the permanent effects on existing rights and the resource within the ground water basin.
 (CONTINUED ON PAGE 2)

The amount of water to be appropriated shall be limited to the amount which can be applied to beneficial use, and not to exceed 0.25 cubic feet per second, but not to exceed 12.6 million gallons annually.

Work must be prosecuted with reasonable diligence and be completed on or before September 14, 1988

Proof of completion of work shall be filed before October 14, 1988

Application of water to beneficial use shall be filed on or before September 14, 1990

Proof of the application of water to beneficial use shall be filed on or before October 14, 1990

Map in support of proof of beneficial use shall be filed on or before N/A

Completion of work filed _____ IN TESTIMONY WHEREOF, I PETER G. MORROS,

State Engineer of Nevada, have hereunto set my hand and the seal of

Proof of beneficial use filed _____ my office, this 14th day of September

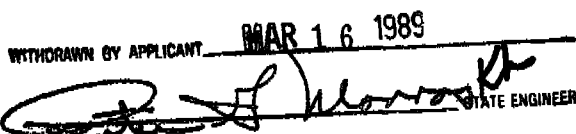
Cultural map filed _____

Certificate No. _____ Issued _____

218 (Rev.)

A.D. 87

 State Engineer

WITHDRAWN BY APPLICANT MAR 16 1989

 STATE ENGINEER

(PERMIT TERMS CONTINUED)

The issuance of this permit does not waive the requirements that the permit holder obtain other permits from State, Federal and local agencies.

